

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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December 21, 2007

The Honorable Carol McDaniel
LaPorte County Assessor
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Friedman & Associates P.C.
705 Lincolnway
LaPorte, IN 46350

Mr. Thomas M. Atherton
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Indianapolis, IN 46204

Dear Ms. McDaniel and Gentlemen:

This letter is to outline the review process the Department of Local Government Finance ("Department") intends to take to ensure the assessment process in LaPorte County for 2006-pay-2007 was conducted in accordance with Indiana law. In order to ensure uniform, equitable, and accurate assessments in LaPorte County, it is the Department's intention to review LaPorte County's March 2007 sales-assessment ratio study, the Robert Denne sales-assessment ratio study from October 2007, and LaPorte County's recently submitted December 2007 tax billing data. The Department believes an analysis of the information from these three sources will assist in determining whether the assessments in LaPorte County are accurate, uniform, and equitable in accordance with Indiana law.

First, the Department intends to compare the results from the county's March 2007 ratio study with a sales-assessment ratio study the Department will create from the 2006-pay-2007 tax billing data submitted by the county to the Department on December 2, 2007. The new ratio study to be created by the Department with the tax billing data will be analyzed to determine whether the median, the coefficient of dispersion (COD), and price-related differential (PRD) fall within the ranges of acceptability as stated in Indiana law. This analysis will also allow the Department to compare the December 2007 tax billing data ratio study with the March 2007 ratio study to determine if there were any dramatic changes to the accuracy, uniformity, and equity of the assessments in LaPorte County during that nine month period.

Second, the Department intends to compare the gross assessed valuations for specific parcels that appear in the county's March 2007 ratio study, the October 2007 Denne ratio study, and the

The Honorable Carol McDaniel
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Mr. Thomas M. Atherton
December 21, 2007
Page 2 of 2

county's December 2007 tax billing data. This parcel-level gross assessed valuation review will allow the Department to determine whether the assessed valuations for specific parcels dramatically changed at the various points analyzed by the three different studies.

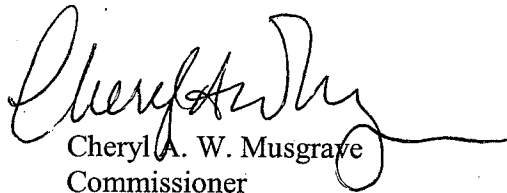
Unfortunately, the Department is unable to complete its intended analysis as described above at the current time for two reasons. First, on December 4, 2007, the Department requested from Mr. Wendt all of the data Mr. Denne used to create his October 2007 ratio study. During the Department's analysis of the Denne ratio study, it became apparent the Department was not in possession of all of the data Mr. Denne used. Mr. Wendt has not yet provided this data to the Department as requested; thus, the Department hereby renews its request of Mr. Wendt to provide the data. The Department requests this data be provided by Monday, January 7, 2008. Second, the county's 2006-pay-2007 tax billing data, which it submitted to the Department on December 2, 2007, was deemed non-compliant by the Legislative Services Agency (LSA) on or about December 10, 2007. As a result, this data cannot be analyzed until it is deemed compliant.

Once the Department receives and analyzes the requested data, the Department will share the results of its aforementioned analysis with Mr. Wendt and Ms. McDaniel. Shortly thereafter, the Department intends to bring both parties together to discuss the results and any other relevant information, including the previously submitted response from Nexus Group, which may affect the Department's decision on whether to order a reassessment of LaPorte County. It is the Department's intent that once this abovementioned review process is completed, a decision on whether to order a reassessment of LaPorte County will be made shortly thereafter.

As the Department has clearly indicated to LaPorte County and Mr. Wendt from the very beginning of this review process, it is critical that the Department, LaPorte County, and Mr. Wendt all have access to the exact same data. In this letter, the Department has detailed the data and information it will examine to assist in making a decision on whether to order a reassessment of LaPorte County. It is the Department's hope that Ms. McDaniel and Mr. Wendt share the same goal as the Department: to ensure uniform and equitable property assessments for the property taxpayers of LaPorte County.

If you have other questions or concerns, please feel free to contact the Department's General Counsel, Timothy J. Rushenberg, at (317) 233-6770 or trushenberg@dlgf.in.gov.

Sincerely,



Cheryl A. W. Musgrave
Commissioner